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US private equity eyeing Aussie market

BY SCOTT HODDER

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Legislative changes coupled with a falling Australian dollar are drawing US-based private equity firms to the Australian financial services market, says Chase Corporate Advisory.

Chase Corporate Advisory principal and managing director Jeff Singh said the recent surge in M&A activity in Australia has piqued the interest of acquisitive US private equity firms.

Mr Singh said the interest has been driven by “widespread structural changes” within the mid-tier of Australian financial services.

“There are a number of reasons for the increased activity, but the falling Aussie dollar, rising equity market and significant legislative change are chief among them,” Mr Singh said.

“US private equity firms eager to get a foothold in the Australian financial services sector see real opportunities at the moment, and they are aggressively pursuing an acquisition agenda,” he said.

Mr Singh pointed out that the Australian funds management sector is playing a significant role when it comes to increased M&A activity.

“Fund managers know that they must evolve and grow if they are to continue to remain competitive and keep their slice of the investment market, particularly as the great big pool of superannuation money grows ever larger,” he said.

Mr Singh added that there is increasing demand for firms looking for specialist advice to assist in the transaction process.

“Financial services firms looking at buying, selling or merging their businesses understand that they need advisory firms which specialise in the mid-market level, and which can advise at every stage of the process, from origination of deals, right through to due diligence and execution,” he said.

“In a market where the only constant is change, it’s really important that financial services firms make use of professional, high-quality advice if they are to make the right decisions and remain competitive.”